ORDINANCE 2026-O-114

FINAL READING OF ORDINANCE AMENDING SECTION 1 OF ORDINANCE 2017-O-110 OF THE CITY OF LAREDO AND AUTHORIZING A PHASED ADJUSTMENT OF TOLL RATES BEGINNING JANUARY 1, 2027, THROUGH JANUARY 1, 2029; ESTABLISHING REVISED TOLL RATES FOR COMMERCIAL VEHICLES, NON-COMMERCIAL VEHICLES, AND PEDESTRIAN CROSSINGS; PROVIDING FOR ANNUAL INFLATIONARY ADJUSTMENTS FOLLOWING COMPLETION OF THE PHASED IMPLEMENTATION SCHEDULE; PROVIDING FOR OPERATIONAL, MAINTENANCE,DEBT SERVICE, TECHNOLOGY MODERNIZATION, RESERVE REQUIREMENTS, AND BRIDGE INFRASTRUCTURE NEEDS; AUTHORIZING ADMINISTRATIVE IMPLEMENTATION; AND REPEALING ALL CONFLICTING ORDINANCES.

WHEREAS, the current toll rate of $1.00 per person for southbound pedestrian traffic and $4.75 per axle for southbound commercial traffic was approved by the City Council on September 5, 2017, and non-commercial vehicle toll rates have remained at $1.75 per axle since October 18, 2013; and

WHEREAS, since those adjustments, inflation, labor, maintenance, technology, insurance, public safety, debt service, and infrastructure costs have increased substantially, reducing the purchasing power of Bridge System revenues and increasing the cost of operating and maintaining the City's international bridge system; and

WHEREAS, the City Council recognizes that sound financial stewardship requires periodic adjustments to user fees so that revenues keep pace with the cost of operations, maintenance, infrastructure preservation, and long-term financial sustainability, thereby avoiding significant deferred or catch-up increases; and

WHEREAS, the City has responsibly managed Bridge System operations while deferring toll adjustments for several years in an effort to minimize impacts on the international trade community and the traveling public; and

WHEREAS, the City commissioned a comprehensive Bridge Toll Rate Study to evaluate the long-term financial sustainability of the Bridge System, future operational and capital needs, and appropriate toll rate recommendations; and

WHEREAS, City staff presented the Bridge Toll Rate Study and proposed implementation schedule to the Port of Entry Advisory Committee on March 11, 2026, and provided an updated presentation on April 22, 2026, incorporating stakeholder comments and recommendations; and

WHEREAS, the Bridge Toll Rate Study concluded that a phased implementation schedule provides a financially responsible approach that gradually restores the purchasing power of

Bridge System revenues while minimizing the immediate impact on commercial carriers, non-commercial bridge users, and pedestrians; and

WHEREAS, the City Council finds that the proposed phased implementation schedule responsibly addresses years of deferred toll adjustments through gradual, predictable increases rather than a single significant adjustment; and

WHEREAS, the City Council recognizes that the City of Laredo operates one of the Nation's largest inland ports of entry and that maintaining safe, efficient, and financially sustainable international bridge infrastructure is essential to supporting international trade, economic development, and the movement of commerce between the United States and Mexico; and

WHEREAS, the City Council finds that the first obligation of the Bridge System is to maintain the safe, efficient, and financially sustainable operation of the existing international bridges by providing sufficient funding for operations, maintenance, rehabilitation, technology modernization, public safety, debt service, reserve requirements, and preservation of existing infrastructure before undertaking future system expansion; and

WHEREAS, the City Council further finds that a financially healthy Bridge System benefits the entire community by maintaining a self-supporting enterprise capable of meeting its operational obligations while continuing to provide revenues for authorized municipal purposes in accordance with City policy; and

WHEREAS, the City Council finds that periodic bridge toll reviews and modest annual inflationary adjustments following completion of the phased implementation schedule will promote predictable, data-driven rate adjustments and reduce the need for significant future catch-up increases; and

WHEREAS, the City Council recognizes that international trade may be affected by factors beyond the City's control, including federal tariffs, modifications to the United States-Mexico-Canada Agreement (USMCA) or successor agreements, changes in federal border policy, operational changes by U.S. Customs and Border Protection or Mexican Customs, national or international economic conditions, pandemics, supply chain disruptions, and other extraordinary events; and

WHEREAS, the City Council finds that future scheduled toll adjustments should remain subject to periodic review so that, when extraordinary economic conditions materially affect international trade or Bridge System operations, the City Council may postpone, suspend, modify, or otherwise adjust future scheduled toll adjustments while preserving the long-term financial sustainability of the Bridge System; and

WHEREAS, the City Council finds that adoption of this Ordinance is in the best interest of the City of Laredo, the Bridge System, the international trade community, and the citizens of the City of Laredo.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO, TEXAS:

Section 1. Amendment to Ordinance.

Section 1 of Ordinance No. 2017-O-110 is hereby amended to revise the schedule of toll rates for southbound pedestrian, non-commercial, and commercial traffic utilizing the City of Laredo International Bridge System as set forth herein. Except as specifically amended by this Ordinance, all remaining provisions of Ordinance No. 2017-O-110 shall remain in full force and effect.

Section 2. Toll Rate Schedule.

Effective January 1, 2027, the toll rates for the City of Laredo International Bridge System shall be established as follows:

City of Laredo Bridge System - Proposed Toll Rate Schedule Through 2029

Type of Vehicle / User	Current Rate	INCREASE			
		Jan 2027	Jan 2028	Jan 2029	Beginning 2030, CPI-W or 4% COLA, whichever is greater
Non-Commercial Vehicles (Per Axle)	$1.75	$0.50	$0.25	$0.25	4% COLA
Commercial Vehicles (Per Axle)	$4.75	$0.50	$0.50	$0.50	
Pedestrians	$1.00	$0.25	$0.25	$0.25	

Beginning January 1, 2030, and each January 1 thereafter, the toll rates established by this Ordinance shall be adjusted annually in accordance with Section 3 of this Ordinance.

Section 3. Financial Stewardship.

The City Council declares that the first priority of Bridge System revenues shall be maintaining the safe, efficient, reliable, and financially sustainable operation of the City's existing international bridge system, including operations, maintenance, rehabilitation, technology modernization, public safety, debt service, reserve requirements, preservation of existing infrastructure, and compliance with all applicable federal and state requirements.

Nothing contained herein shall preclude the City from pursuing future bridge expansion projects; however, such projects should be undertaken in a financially responsible manner that does not compromise the operational integrity or long-term sustainability of the existing Bridge System.

It is the policy of the City Council that Bridge System revenues shall be managed in a manner that preserves the long-term financial sustainability, operational reliability, and competitive position of the City of Laredo as one of the Nation's premier international trade gateways.

Section 4. Annual Inflationary Adjustment.

Beginning January 1, 2030, and each January 1 thereafter, the toll rates established by this Ordinance shall be adjusted by the greater of:

1. The annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average, as published by the United States Bureau of Labor Statistics; or
2. Four percent (4%).

If the City Council adopts a toll adjustment during any calendar year that exceeds the annual inflationary adjustment otherwise required by this section, no separate inflationary adjustment shall be implemented during that calendar year, and the Council-approved adjustment shall satisfy the annual adjustment required herein.

Future annual inflationary adjustments shall be calculated from the most recently adopted toll rate and shall not be compounded. Annual inflationary adjustments shall be implemented in accordance with the administrative rounding provisions established in Section 5 of this Ordinance.

Section 5. Administrative Implementation.

The City Manager is authorized to implement the toll adjustments established by this Ordinance, including updates to toll collection systems, public notification, administrative procedures, and all actions reasonably necessary to carry out the intent of this Ordinance.

Calculated toll rates resulting from annual inflationary adjustments shall be administratively rounded to the nearest twenty-five cent ($0.25) increment as follows:

- $X.00 through $X.12 shall round to $X.00;
- $X.13 through $X.37 shall round to $X.25;
- $X.38 through $X.62 shall round to $X.50;
- $X.63 through $X.87 shall round to $X.75; and
- $X.88 through $X.99 shall round to the next whole dollar.

Administrative rounding is intended solely to facilitate efficient cash handling, electronic toll collection, and operational administration.

Section 6. Commercial Traffic Management.

To improve traffic flow, maximize existing bridge capacity, and enhance customer service, the City Manager is authorized to develop and implement operational traffic management strategies, including peak and off-peak toll incentives, AVI incentives, volume-based incentive programs, promotional pricing, seasonal pricing, temporary pilot programs, and other demand management strategies designed to improve operational efficiency, customer service, traffic flow, bridge utilization, trade competitiveness, and the overall performance of the City of Laredo Bridge System.

Temporary pilot programs implemented pursuant to this section may be established for a defined duration and for the purpose of evaluating operational effectiveness, customer

utilization, traffic flow, or other performance objectives. Upon completion of a pilot program, the City Manager may continue, modify, or discontinue the program administratively, or recommend permanent implementation to the City Council when required by law.

Nothing contained herein shall be construed as authorizing the permanent modification of toll rates established by ordinance without approval of the City Council.

Section 7. Annual Bridge System Performance Report
The City Manager shall prepare and present to the City Council an Annual Bridge System Performance Report regarding the financial condition, operational performance, and long-term sustainability of the City of Laredo Bridge System.

The purpose of the Annual Bridge System Performance Report is to provide the City Council with information regarding the overall health of the Bridge System, evaluate operational and financial trends, monitor factors affecting international trade, and assist the City Council in future policy and financial planning.

The report may include, among other information deemed appropriate by the City Manager, information including, but not limited to:

- Bridge toll revenues;
- Operating expenditures;
- Debt service obligations;
- Reserve levels;
- Capital improvement funding and expenditures;
- Commercial, non-commercial, and pedestrian crossings;
- Bridge utilization and traffic trends;
- Regional and international trade activity;
- Federal tariffs and international trade policies;
- United States-Mexico-Canada Agreement (USMCA) or successor agreement developments;
- Operational changes by U.S. Customs and Border Protection and Mexican Customs;
- Inflation and other economic conditions affecting international commerce;
- Bridge system competitiveness; and
- Any other financial, operational, or economic information the City Manager determines relevant to the administration and long-term sustainability of the Bridge System.
  The Annual Bridge System Performance Report may also include recommendations regarding operational improvements, capital planning, financial sustainability, commercial traffic management strategies, and other matters affecting the continued success of the Bridge System.

Section 8. Extraordinary Economic Conditions.

In considering whether extraordinary economic conditions warrant postponement, suspension, modification, or other adjustment of future scheduled toll adjustments or annual inflationary

adjustments established by this Ordinance, the City Council may consider information contained in the Annual Bridge System Performance Report together with any other information the City Council determines relevant.

Extraordinary economic conditions include, but are not limited to:

- Federal tariff actions;
- Modifications to the United States-Mexico-Canada Agreement (USMCA) or successor agreements;
- Significant changes in federal border operations;
- Operational changes by U.S. Customs and Border Protection;
- Operational changes by Mexican Customs;
- National or international economic recession;
- Pandemics;
- Significant supply chain disruptions; or
- Other extraordinary events materially affecting international commerce.

Nothing contained in this Ordinance shall be construed to limit the legislative authority of the City Council to amend toll rates by future ordinance whenever the City Council determines such action to be in the public interest.

Section 9. Periodic Bridge Toll Rate Study.

The City Manager shall present to the City Council a comprehensive Bridge Toll Rate Study not less frequently than once every five (5) years, or sooner as directed by the City Council, to evaluate the continued financial sustainability, competitiveness, operational needs, and long-term capital requirements of the Bridge System. The City Council may direct that the study be performed earlier whenever significant changes occur in traffic volumes, operating costs, capital needs, debt obligations, economic conditions, or other material circumstances affecting the Bridge System.

Section 10. Repealer.

All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 11. Severability.

If any provision of this Ordinance is determined to be invalid or unenforceable by a court of competent jurisdiction, such determination shall not affect the validity of the remaining provisions, which shall continue in full force and effect.

Section 12. Effective Date.

This Ordinance shall take effect in accordance with the Charter of the City of Laredo and applicable law, except that the toll adjustments established herein shall become effective on the dates specified in Section 2 of this Ordinance.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS THE 15TH DAY OF JUNE, 2026.

DR. VICTOR D. TREVIÑO
MAYOR

ATTEST:

MARIO MALDONADO, JR.
CITY SECRETARY

APPROVED AS TO FORM:
DOANH T. NGUYEN, CITY ATTORNEY

for BY: JOAQUIN A. RODRIGUEZ
FIRST ASSISTANT CITY ATTORNEY

City of Laredo

Legislation Details (With Text)

File #:	2026-O-114 **Version:** 1		
Type:	Final Readings	**Status:**	Agenda Ready
File created:	5/19/2026	**In control:**	City Council
On agenda:	6/15/2026	**Final action:**	
Title:	An Ordinance amending section 1 of Ordinance 2017-O-110 of the City of Laredo and authorizing an increase of toll rates through a phased implementation schedule beginning FY2026 and continuing through January 2031; establishing revised toll rates for commercial vehicles, non-commercial vehicles, and pedestrian crossings; authorizing an initial adjustment upon adoption of the ordinance followed by annual phased adjustments each January thereafter; providing for operational, maintenance, debt service, technology modernization, and bridge infrastructure needs, including improvements to the World Trade Bridge and Colombia Solidarity Bridge, and authorizing the city manager to implement administrative procedures necessary for the implementation. Toll increases are described in Exhibit "A" and hereby repeal all conflicting sections in all ordinances currently in effect.		
Sponsors:			
Code sections:			
Attachments:	1. Bridge System Rates Plan Ordinance 2026-O-114		

Date	Ver.	Action By	Action	Result

SUBJECT

Final Reading of Ordinance amending section 1 of Ordinance 2017-O-110 of the City of Laredo and authorizing an increase of toll rates through a phased implementation schedule beginning FY2026 and continuing through January 2031; establishing revised toll rates for commercial vehicles, non-commercial vehicles, and pedestrian crossings; authorizing an initial adjustment upon adoption of the ordinance followed by annual phased adjustments each January thereafter; providing for operational, maintenance, debt service, technology modernization, and bridge infrastructure needs, including improvements to the World Trade Bridge and Colombia Solidarity Bridge, and authorizing the city manager to implement administrative procedures necessary for the implementation. Toll increases are described in Exhibit "A" and hereby repeal all conflicting sections in all ordinances currently in effect.

PREVIOUS COUNCIL ACTION

On September 05, 2017, the City Council approved Ordinance 2017-O-110, authorizing an increase of $0.25 per person to southbound pedestrian traffic and an increase of $0.50 per axle for southbound commercial traffic.

BACKGROUND

The current toll rate of $1.00 per person for southbound pedestrian traffic and $4.75 per axle for southbound commercial traffic was approved by City Council on September 5, 2017, and there has been no increase since; in addition, non-commercial rates are at $1.75 per axle and have not increased since October 18, 2013.

The revenue distribution of funds will remain as follows: 50% to cover Bridge operational expenses and Debt Service, and 15% to meet the fund balance requirement; any surplus will be transferred to the Capital Improvement Fund, and 50% of tolls will be transferred to the General Fund.

COMMITTEE RECOMMENDATION
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STAFF RECOMMENDATION
Staff recommends increasing toll rates through a phased implementation schedule beginning in FY2026 upon the approval of the ordinance.

Fiscal Impact

Fiscal Year:	2026
Budgeted Y/N?:	N
Source of Funds:	Toll Revenues
Account #:	Various Accounts
Change Order: Exceeds 25% Y/N:	N/A

FINANCIAL IMPACT:
Please see Exhibit “A” for the new rate schedule.